

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0642-05  
Bill No.: SB 332  
Subject: Contracts and Contractors; County Government; Employees-Employers; Labor and Industrial Relations Dept.; Labor and Management; Political Subdivisions; Salaries; Workers Compensation  
Type: Original  
Date: February 4, 2003

---

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>       |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2004</b> | <b>FY 2005</b> | <b>FY 2006</b> |
|   |                |                |                |
| <b>Total Estimated Net Effect on General Revenue Fund</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>       |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                   | <b>FY 2004</b> | <b>FY 2005</b> | <b>FY 2006</b> |
|  |                |                |                |
| <b>Total Estimated Net Effect on Other State Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS                                 |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2004    | FY 2005    | FY 2006    |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| ESTIMATED NET EFFECT ON LOCAL FUNDS |            |            |            |
|-------------------------------------|------------|------------|------------|
| FUND AFFECTED                       | FY 2004    | FY 2005    | FY 2006    |
| <b>Local Government</b>             | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOL)** assume under this proposal, if no wage survey information is received, Missouri's Division of Labor Standards would be required to change the process for determining prevailing wage rates. Due to the proposed changes in applicability, the Division would need to educate public bodies, contractors, and others on the changes. DOL assumes the proposal would have no fiscal impact on their office.

| <u>FISCAL IMPACT - State Government</u> | FY 2004<br>(10 Mo.) | FY 2005           | FY 2006           |
|---|---------------------|-------------------|-------------------|
|   | <b><u>\$0</u></b>   | <b><u>\$0</u></b> | <b><u>\$0</u></b> |

FISCAL IMPACT - Local Government

FY 2004  
(10 Mo.)

FY 2005

FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Some small business contractors may no longer be eligible to receive the benefits of the prevailing wage law. The impact of this is unknown. Conversely, some small businesses may save money by no longer being required to affix certain information on certain motor vehicles and equipment.

DESCRIPTION

This proposal modifies the definitions of "construction" and "maintenance work" under the prevailing wage law. Further, it limits the individuals who are eligible to receive the benefits of the prevailing wage law to those engaged in actual construction or reconstruction of public works and expressly removes individuals engaged in repairs from being eligible to receive the benefits of the prevailing wage law.

When no wages are reported for a particular locality, the Department of Labor and Industrial Relations shall use the appropriate federal hourly wage rate as provided for in section 290.502 RSMo.

This proposal removes the requirement that the Department of Labor and Industrial Relations when determining the prevailing wage consider the applicable wage rate established by a collective bargaining agreement. Further, it removes all provisions dealing with collective bargaining in determining and adjusting the annual wage rates.

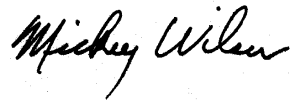
This proposal removes the requirement that contractors and subcontractors engaged in public works include in their records the names of their workmen. Further, it removes subsections which require contractors and subcontractors engaged in the construction of public works to have certain information affixed on certain motor vehicles and motorized self-propelled pieces of equipment.

This proposal is not federally mandated, would not duplicate any other program and would not

require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations

A handwritten signature in black ink, reading "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director

February 4, 2003